

## 1H FY26 FINANCIAL RESULTS

### FY26 EBIT guidance upgraded based on a robust first-half and strong outlook

Cleanaway Waste Management Limited (Cleanaway or the Company) (ASX: CWY) today announced its financial results for the 6 months ended 31 December 2025 (1H FY26), delivering growth in key financial metrics compared to the 6 months ended 31 December 2024 (1H FY25 or prior corresponding period (pcp)).

**First Half FY26 financial highlights** (compared to the pcp where applicable)

- **Gross revenue up 13.7% to \$2,205.8 million and net revenue up 13.0% to \$1,875.3 million** driven by strong performance of the Solid Waste Services segment (+7.5%) and the acquisition of Contract Resources (\$157.8 million)
- **Profit from operations (statutory EBIT) down 21.2% to \$137.2 million**, which included \$91.0 million of significant and non-recurring items
- **Underlying EBIT up 16.9% to \$228.2 million** as Solid Waste Services delivered strong growth and Contract Resources delivered above expectations
- **Underlying EBIT margin up 40 basis points to 12.2%** driven by price increases, labour efficiency and fleet transformation benefits
- **Declared a fully franked interim dividend of 3.35 cents per share**, up 19.6% and representing a payout ratio of 68.4% of underlying NPAT
- **FY26 guidance upgraded;** underlying EBIT expected to be between \$480 million to \$500 million (previously \$470 million to \$500 million)

Aligned to our HSE Roadmap and 5-year plan, we commenced two key programs of work during the half that represent tangible evidence of systematic risk reduction across the enterprise; the roll out a yellow gear pedestrian detection system that uses latest generation AI cameras that alert operators to human presence, and deploying an In-Vehicle Monitoring Systems (IVMS) across our fleet of approximately 3,500 on-road collections vehicles. Both programs are expected to complete in calendar year 2026 and are included in our unchanged capital expenditure guidance.

	1H FY26	1H FY25	Variance	
<b>Statutory</b>				
Gross Revenue (\$m)	2,205.8	1,940.2	↑	13.7%
Net Revenue (\$m)	1,875.3	1,659.4	↑	13.0%
EBIT (\$m)	137.2	174.1	↓	21.2%
Free Cash Flow	74.2	94.5	↓	21.5%
Dividend Per Share (cents)	3.35	2.80	↑	19.6%
<b>Underlying</b>				
EBITDA (\$m)	439.3	383.2	↑	14.6%
EBIT (\$m)	228.2	195.2	↑	16.9%
EBITA <sup>1</sup> (\$m)	239.1	203.6	↑	17.4%
EBIT Margin (%)	12.2%	11.8%	↑	40 bps
Net Profit After Tax (\$m)	109.7	93.1	↑	17.8%
EPS (cents)	4.9	4.2	↑	16.7%
EPSA (cents)	5.2	4.4	↑	18.2%
Return on Capital Employed	9.4%	8.6%	↑	80 bps
Return on Invested Capital (%)	6.3%	5.7%	↑	60 bps

<sup>1</sup> EBIT adding back amortisation of acquired customer and license intangibles of \$10.9 million in 1H FY26 and \$8.4 million in 1H FY25.

**Cleanaway CEO & Managing Director, Mark Schubert, said:** “We are pleased to upgrade our FY26 underlying EBIT guidance to between \$480 million and \$500 million following a robust first-half and outlook.

“This upgrade to guidance demonstrates both the underlying strength of our business and the delivery on commitments we have made to shareholders to build a stronger, more profitable business.

“We have a track record of growing revenue, expanding margins, improving capital efficiency, and returning value to shareholders, and we have a strategy and plan to continue this performance in the years ahead.

“Our refreshed strategy is designed to deliver strong and growing free cash flow.

“The strategy drives top-line growth through an improved customer value proposition, leverages our scale and network and improves asset utilisation and operational efficiency.

“It will also enable us to deliver at least \$35 million of annualised indirect costs savings from FY27, with initial benefits of \$15 million to be realised in the second half of FY26.

“Our core solid waste business delivered earnings growth and margin expansion. Price increases, strong contract management, improved labour productivity and lower fleet costs drove the result.

“The period included a five-month contribution from Contract Resources that exceeded our expectations. This performance reflects the quality of the business and early integration benefits.

“Having built positive momentum in the first half, we are confident that earnings and free cash flow will accelerate in the second half.”

## Financial performance

Cleanaway reported net revenue for the half-year ended 31 December 2025 of \$1,875.3 million, an increase of 13.0% (pcp: \$1,659.4 million).

Underlying EBIT was \$228.2 million, an increase of 16.9% (pcp: \$195.2 million) driven by the strong performance from Solid Waste Services, and the contribution from Contract Resources.

Statutory EBIT was \$137.2 million, a decrease of 21.2% (pcp: \$174.1 million). This result includes \$91.0 million of significant and non-recurring items incurred during the period (pcp: \$21.1 million). These items reflect \$37.1 million of non-cash impairment charges related to the Construction and Demolition business unit and investment in Circular Plastics Australia, \$11.9 million of acquisition costs associated with Contract Resources and Citywide Waste, \$12.1 million provision for higher treatment and disposal costs for legacy waste at a (former Toxfree) Oil & Technical Services site, \$11.7 million related to the ongoing IT transformation, \$8.4 million costs related to payroll remediation obligations, \$6.5 million of one-off restructuring costs related to delivering a lower, continuing, indirect cost base following the strategy refresh, and \$3.3 million costs, net of insurance recoveries, related to Christie St.

Statutory profit after income tax (attributable to ordinary equity holders) decreased by 49.1% to \$37.3 million (pcp: \$73.3 million).

Underlying net profit after income tax (attributable to ordinary equity holders) increased by 17.8% to \$109.7 million (pcp: \$93.1 million).

Free Cash Flow<sup>2</sup> decreased by 21.5% to \$74.2 million (pcp: \$94.5 million). The decrease primarily reflects the higher tax, including catch-up tax payments, interest expense paid and costs associated with the restructure, acquisitions and integration.

Total capital expenditure, including non-cash leases was \$162.0 million (pcp: \$157.8 million).

## Dividend

The Board declared an interim, fully franked dividend of 3.35 cents per share (pcp: 2.80 cents per share) representing an increase of 19.6%. It will be paid on 16 April 2026 to shareholders on the register on 12 March 2026.

## Operating performance

	Underlying			Variance
	1H FY26	1H FY25		
<b>Solid Waste Services</b>				
Net revenue (\$m)	1,256.7	1,168.8	↑	7.5%
EBIT (\$m)	196.7	177.2	↑	11.0%
EBIT Margin (%)	15.7%	15.2%	↑	50 bps
<b>Environmental &amp; Technical Solutions</b>				
<i>Oils &amp; Technical Services and Health Services (OTSHS)</i>				
Net revenue (\$m)	342.0	360.5	↓	5.1%
EBIT (\$m)	36.0	41.2	↓	12.6%
EBIT Margin (%)	10.5%	11.4%	↓	90 bps
<i>Industrial Services (IS)</i>				
Net revenue (\$m)	339.1	194.5	↑	74.3%
EBIT (\$m)	28.8	10.9	↑	164.2%
EBIT Margin (%)	8.5%	5.6%	↑	290 bps

### Solid Waste Services

Solid Waste Services (Solids) net revenue and underlying EBIT grew by 7.5% and 11.0% respectively driven by strong contributions from our core landfill portfolio, Commercial and Industrial (C&I) collections and the national Container Deposit Scheme (CDS) businesses.

Solids' EBIT margin increased by 50 basis points, increasing from 15.2% to 15.7% driven by pricing discipline, improved labour efficiency and lower fleet repair and maintenance costs.

### Environmental & Technical Solutions (ETS)

ETS comprises the two reporting segments: Oils & Technical Services and Health Services (OTSHS), and Industrial Services (IS).

#### ETS - Oils & Technical Services and Health Services (OTSHS)

OTSHS revenue was 5.1% lower, and underlying EBIT was 12.6% lower. Oils & Technical Services (OTS) revenue was lower mainly because of continuing processing capacity constraints at the Christie Street facility. However, EBIT was higher due to initial integration benefits, network simplification and a strong performance from the packaged waste business.

As expected, Health Services revenue was lower, primarily reflecting the outcome of the competitive HealthShare Victoria tender, where Cleanaway retained 85% of the services. Margins were further affected by

<sup>2</sup> Net operating cash flow less cash maintenance capex plus net proceeds from the sale of PPE.

operational disruptions at a damaged Queensland facility due to ex-Cyclone Alfred, which resulted in \$2.4 million higher logistics costs. This has now been resolved.

#### *ETS - Industrial Services*

Industrial Services segment revenue was 74.3% higher, while EBIT was 164.2% higher. This significant earnings growth was driven by a \$17.5 million five-month EBIT contribution from Contract Resources, which delivered a 12.7% EBITA margin (\$20.1 million EBITA).

A review of the legacy metro activities is underway to align operating and delivery models with the Contract Resources platform, improving consistency, scalability and long-term performance. Disciplined contract management and operational efficiency initiatives related to the Fleet Transformation program including stronger operational discipline, supplier network rationalisation and more deliberate data-led asset spend decisions also contributed to the result.

The integration of the Industrial Services business into Contract Resources has commenced, under the leadership of the Contract Resources CEO and is expected to realise \$3 million of cost synergies in the second half.

#### **FY26 outlook and guidance**

Cleanaway has upgraded its FY26 underlying EBIT guidance range and now expects underlying EBIT to be between \$480 million and \$500 million based on the robust first-half performance and its confidence in the outlook for the remainder of the year.

The improved second half of FY26 performance is expected to be driven by:

- Positive organic growth in Solid Waste Services and typical second half skew
- Robust performance across most business lines in Environmental and Technical Solutions
- Contract Resources synergies of approximately \$3 million; and
- Initial indirect cost reduction benefits of approximately \$15 million

The guidance is supported by a clear line of sight to these drivers and positive operational momentum as we enter the second half of FY26.

**ENDS**

#### **Investor enquiries**

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*Cleanaway Waste Management Limited is Australia's leading sustainable waste management, industrial and environmental services company. Our team of approximately 10,000 people operates across more than 350 locations in Australia, New Zealand and the Middle East. We manage Australia's largest waste and industrial services fleet, with over 6,400 vehicles, and are supported by an extensive network of recycling facilities, transfer stations, engineered landfills, liquid treatment plants and refineries. Alongside our customers, communities, governments, regulators and industry partners, we are committed to delivering on our purpose: making a sustainable future possible together.*